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Advances and debts in agricultural risk management

Insurance, futures markets and coordination at the national level are fundamental tools.

The great limitation of the local system is that the risk of drought or floods is not covered.

"In Argentina there are 26 insurance companies, 50 percent of the planted area is insured and there are no government subsidies for agricultural insurance. It covers mostly hail, but the great limitation of the local system is that it does not cover the risk of drought or flooding, "with that data started his dissertation at the Congress of Maizar Gustavo Mina, manager of agricultural insurance Sancor insurance, and said that the main objective of the insurance companies should be to guarantee the investment of the producer.

He did it during a panel that sought to review advances and debts in agricultural risk management, both from the private sector and from public entities.

"The agricultural producer is constantly generating risk reduction systems. For example, in the implementation of planting systems such as direct sowing, which optimize water management, in the selection of hybrids and sowing dates, in the reading of forecasts. The use of technology has managed to raise the minimum yields even in cases of climatic setbacks ", clarified Mina. But then he remarked that the level of adoption of insurance remains low, and that the cost is not high compared to the investments that farmers make to plant corn. "MPCI insurance in corn costs between 4 and 6 quintals, within a total investment that can reach 80 quintals," he said, adding that the main challenges for companies are to expand the area insured, incorporate new technological tools and adapt the cost to each producer. In turn, the president of Matba-Rofex Andrés Ponte told how future markets are a risk reduction tool. "Between the time of sowing and the present, the price of corn fell almost 20 percent. That is risk, and to try to avoid that risk there are markets for the future. Today there is more vocation to get more yields than to get better prices. Argentina has a wide network of agents that can offer this service, "he remarked.

Ponte said that after the union of Matba and Rofex, the market improved its operational capacity and its level of liquidity. The record of maize operated in the Matba-Rofex is 8 million tons in a year, and according to Ponte you can aspire to 60 million tons. In the race to expand that volume, he stressed that the access routes to technology are key, since information platforms are now available for anyone who wants to access, and the training of specialized professionals.

Clarín https://www.clarin.com/rural/avances-deudas-gestion-riesgo-agropecuario_0_TuJqo9jZe.html

Argentina

The UART announces its 134th Seminar on the Prevention of Risks in Agricultural Activity

The Union of Occupational Risk Insurers, together with FISO, will hold a new seminar in its cycle Preventing safe practices in the agricultural sector. The appointment is next Friday June 7 at the headquarters of UdeSA (Riobamba 1276) from 9 am. Admission is free and free, although it requires prior registration in UART Prevenir.

At the meeting, Mg Soledad Nión will present case studies of Uruguayan agriculture, while Ing. Agr. Víctor Piñeyro, member of the BPA (Network of Good Agricultural Practices), will give details about good practices in the field.

Informes e inscripción: www.uartprevenir.org.ar/

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UART Prevenir www.uartprevenir.org.ar/

Bolivia

They project insurance to protect the production of camelids

The director of the National Institute of Agrarian Insurance (INSA), Erick Murillo, reported on Thursday that insurance is being projected to protect the production of camelids from electrical storms and snowfalls, which cause livestock losses.

"We have defined the attempt of an insurance of camelids for lightning, this year has been reported many deaths, I spoke of excess precipitation and excess precipitation comes with rain and in this case comes with enough electrical storms," he said in an interview with the ABI.

Murillo explained that the proposal to create this insurance was developed in coordination with the Camelids Program and presented to the municipal and departmental governments of the camelid livestock production departments, mainly Oruro and Potosí, taking into account that in recent months the death of 300 head of cattle due to natural disasters.

"Now we intend to expand the offer, which is also persistence in snowfall that can affect that is normally an atypical event, it is normal to have snowed for two, three or five days in some areas and sometimes persistence if it affects livestock and causes death," he added.

He indicated that this insurance that will be subsidized by the national government, municipal and departmental governments, is expected to be implemented as of October of this year.

He explained that this insurance will cover a percentage of the normal cost of the lost animal and said experts in the field will verify the causes of death.

FM Bolivia <https://fmbolivia.com.bo/proyectan-seguro-para-proteger-la-produccion-de-camelidos/>

Bolivia

Government will give Bs 757 million for local wheat production

With the budget of five years, Emapa will be able to make subsidies to the seed of the food. In addition, an agricultural insurance and audits are included "when appropriate".

The Government will allocate 757.3 million bolivianos in five years to encourage and subsidize the production of wheat in the country, in accordance with the provisions of Supreme Decree 3919, dated May 29.

The regulation establishes that the Multisectorial Program for the Promotion of Wheat Production will last for five years, a period in which 757,320,303 Bolivians will be transferred to six institutions in the sector.

These are the Food Support and Production Company (Emapa), the Strategic Seed Production Company (EEPS), the Agrarian Insurance Institute (INSA), the Strategic Fertilizer and Fertilizer Production Company (Eepaf), the National Institute of Agricultural Innovation (Iniaf) and the National Service of Agricultural Health and Food Safety (Senasag).

"We have created a Multisectorial Program for the Promotion of Wheat Production, to encourage the production of this cereal. Deadlines are being established, progress will be evaluated and the participating institutions will be audited ", explained the Minister of Productive Development, Nérida Sifuentes.

The authority pointed out that this program is necessary, since currently the national wheat production only supplies 40% of domestic demand, while the remaining 60% must be imported, mainly from the Argentine market.

"We have to guarantee food sovereignty. At the moment we only produce 40% of the wheat consumed in the country, the rest we have to import. Two months ago with the Food Support and Production Company, we have made some efforts to improve production, but with this standard we expect to have significant progress within five years, "he said.

Grant

The decree establishes that Emapa and the EEPS are authorized to subsidize up to 15% of the price of certified wheat seed for small producers. In addition, the EEPS may subsidize up to 44% of the price of wheat seed grain based on the price established by Emapa for the purchase of commercial grain.

The standard incorporates agricultural insurance, specifies the distribution of capital contribution, monitoring of the program and external audits "when appropriate", according to Article 9.

Price y Demand

Cost Last April, the government approved a decree to raise the purchase price of wheat from 320 dollars per ton to 330 dollars, with the objective of encouraging the planting of wheat in the country. With the measure, the offer is expected to rise to 50% in the national territory.

Offer According to data from the Association of Oilseed and Wheat Producers (Anapo), there is a demand of 700 thousand tons per year, but the local production does not exceed 150 thousand tons.

Yield In Bolivia, wheat yields an average of 1.2 tons per hectare, while in Argentina it is three tons, which makes it more competitive, according to data from the Bolivian Foreign Trade Institute (IBCE).

Página Siete <https://www.paginasiete.bo/economia/2019/6/5/gobierno-dara-bs-757-millones-para-la-produccion-local-de-trigo-220124.html>

Brasil

Minister Teresa Cristina announces increase of funds for agricultural insurance

The Minister of Agriculture, Livestock and Supply (MAPA), Teresa Cristina, confirmed her announcement that in the new harvest plan, which will be launched on June 12 of this year, will be allocated R \$ 1 billion for rural insurance. More than twice the R \$ 440 million this year. With this, she hopes that, with fewer risks in operations, private banks can offer more agricultural credit to smaller interests, contributing to improve financing for the Brazilian agro business, which accounts for almost 50% of exports and 21%, 4% of the Gross Domestic Product (GDP) of the country.

For Everton Todescatto, national manager of Seguro Agro, of Sancor Seguros, one of the leaders of the segment in Brazil, the Rural Insurance instrument is an important tool to help the rural producer in situations of losses derived from factors of climatic cause. "The increase in resources is positive and fundamental. He will allow us that a greater number of producers have access to the purchase of insurance. "That means precaution for the producer who has his office in the open," he says, adding that this will allow them to protect their assets without needing to withdraw resources

from their principal capital, in the event of a loss, or that still have conditions of recovery in a company the next harvest.

Segs<https://www.segs.com.br/seguros/172912-ministra-teresa-cristina-anuncia-aumento-de-verba-para-seguro-agricola>

Brasil

Rural insurance gains space in the agricultural sector

In Brazil, agribusiness represents up to 25% of GDP and, in terms of exports, 50%. Despite the significant numbers of this sector, Rural Insurance can still gain a lot of space.

In the event that there is a change in the quality of the food, it should be borne in mind, "Today is much easier than talking about agricultural insurance with the producer, you already have a notion and a good impression," he says.

The president of the Rural Insurance Commission of Fenseg, Joaquim Neto, highlights that the climatic events have impacted, mainly, in the last agricultural crop of soybean. "Therefore, farmers seek to transfer those risks and is, without doubt, through brokers in insurers," he concludes.

The complete edition, with the participation of the special guests Davi Elias Martim and Joaquim Neto, can be consulted in:

<http://www.sindsegs.org.br/site/sindsegs-tv-video.aspx?id=34>

The Panorama del Seguro program is presented twice a month and has special guests, reading tips, analysis of the economy and the insurance sector. All editions of Panorama can be consulted in the link:

<http://www.sindsegs.org.br/panorama-do-seguro>.

Segs<https://www.segs.com.br/seguros/173884-seguro-rural-ganha-espaco-no-setor-agricola>

Brasil

Representative of the National Confederation of Agriculture wants to strengthen rural insurance and claims for married sales

The current rural credit policy shows signs of exhaustion and has no more conditions to serve the producers. The defense of new models and other forms of financing was made by the representative of the National Confederation of Agriculture and Livestock of Brazil (CNA), Antônio da Luz, who participated in a public hearing, on day 22/5, of the Commission of Agriculture and Agrarian Reform (CRA) of the Senate.

The entity warned of the need to combat old problems, such as bureaucracy, lack of transparency, constant delay in the release of resources and the total subjection of producers to abuses by financial institutions, including the sale of married services banking. The leader claimed:

- A serious question to be solved is the banking reciprocity required: the interest of 8.5% per year of the announcement of the Safra Plan is easily seen 16% per year with the pending that the bank pushes. When the producer is obliged to create a consortium; a capitalization title; a life insurance or a forecast plan that you do not want, its real cost with the operation triggers. All this is a real cost. This cost of rural credit is becoming more expensive because we have a concentration of financial agents and a very complicated and bureaucratic process. The more bureaucracy, the more chances of having married operations - he lamented.

The CNA representative also defended incentives for the contracting of insurance and some bills being processed in Congress, such as the simplification of the regulatory process (PL 10.499 / 2018) and the protection of the economic subsidy to the rural insurance premium against contingents budget (PLS 185/2017).

Senator Luis Carlos Heinze (PP-RS) agreed to the complaints and said there must be a way to stop abuses committed by financial institutions.

- There has to be a way. I do not want to know about the goal for the manager. It is an abuse. He sells insurance, consortium, anything. And the worse the situation of the producer, the greater the cost of those packages that are pushed. This can not happen. The next Safra Plan has to find an obstacle for that. We're going to get those pendants off of the producers. We will find a way to do it - defended.

SINCOR-RS COMMENT

For years we have denounced the married sale promoted by banks, which usually push goela down something that the borrower does not want or does not need. "I said well the senator gaucho Luis Carlos Heinze: "such a habit is an abuse"

We, the professional insurance brokers, hope that this maneuver will be truly inhibited.

Segs <https://www.segs.com.br/seguros/173898-representante-da-confederacao-nacional-da-agricultura-quer-fortalecimento-do-seguro-rural-e-reclama-de-venda-casada>

Chile

Compensation of agricultural and beekeeping insurance benefited eight farmers with the payment of \$ 22 million

The users affected by agroclimatic phenomena contracted the policies through the Area Agencies of Indap Los Ríos, canceling only 2% of the cost of the net premium. Eight farmers in the communes of Mariquina, La Unión, Paillaco and Futrono received compensation for agricultural and beekeeping insurance for \$ 22,627,922, due to climatic events that affected potato, wheat and honey producers.

The beneficiaries had agricultural and beekeeping insurance against climatic risks, which was contracted through the Indap Area Agencies and which allowed them to recover their investment by making the claim of their claim effective before the insurance company.

In the case of agricultural insurance, it benefited seven farmers who received from the hands of Intendant César Asenjo; the Seremi de Agricultura, Moira Henzi and the Regional Director of Indap, Marcelo Ramírez, checks for a total of \$ 19,400,376. In the case of beekeeping insurance, the policy was contracted by the user of Mariquina, Luis Rapiman, who assured 262 beehives that allowed him to receive uncheque for \$ 3,272,546, after seeing his production affected by rain and wind.

Regarding the state benefit against agroclimatic risks that considers phenomena such as excessive or untimely rain, frost, hail, wind and dry land, the Mayor César Asenjo, said that "as President Sebastián Piñera's Government we have raised the importance of agricultural activity in the In this sense, for agricultural producers it is essential to ensure their crops and their production systems.

This is an important job that Indap does, which gives value to the agricultural and livestock sector, "said the authority. Importance of contracting policies. In the same line and referring to beekeeping, the Regional Director of Indap, Marcelo Ramírez, explained that during 2018 were hired 25 beekeeping, "which allows farmers to secure their apiaries and offers them peace of mind to work without the shock of lose their bees or vermermada their production, product of the drought, heat or excessive cold and not be able to replace them for the cost that this implies ".

Finally, the Regional Director called on all users of Indap, to inform themselves in their area agencies, because the agricultural insurance and all the agricultural insurance of Indap have a broad state subsidy that makes them very convenient to ensure the capital of our farmers ", detailed Marcelo Ramírez.

The beekeeping insurance is an instrument of risk transfer where the item is insured against losses in production, core and hive, caused by nominated risks, which allows the beekeeper to recover their assets and make their activity more competitive, adding economic and social value ; while agricultural insurance is a multiple risk instrument that covers climatic phenomena, allowing farmers to recover the working capital that was invested in the insured crops.

Lanco <http://www.lanco.cl/index.php/indemnizacion-de-seguros-agricolas-y-apicolas-beneficio-a-ocho-agricultores-con-el-pago-de-22-millones/>

Ecuador

Technical Result Index for the Agricultural Branch presented a rise

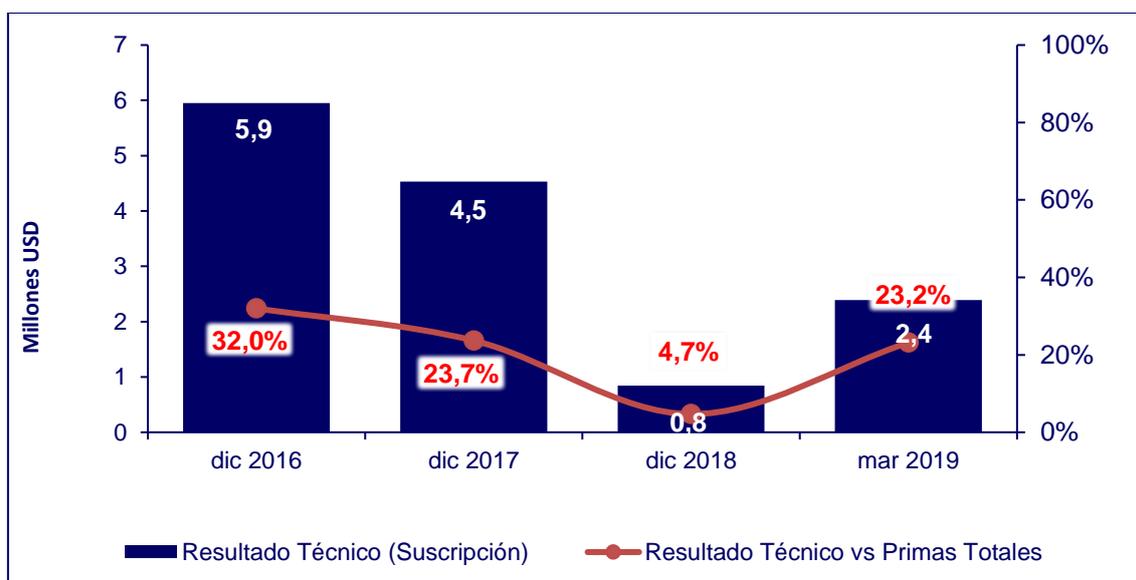
The Technical Result account (of the subscription) as a percentage of Premiums Issued to the Agricultural Branch registered an increase (18.47 percentage points), going from 4.7% in December 2018 to 23.2% in March 2019 12ms.

The Technical Result registered a value of USD 2.4million at March 2019 12ms and USD 0.8 million at December 2018.

The groups with the highest% Technical Result vs Issued Premiums:

Economic Group	Técnical Result / Issued Premiums			
	Rank.	mar 2019	Rank.	dec 2018
ZURICH	1	80,7%	2	14,3%
COLON	2	38,0%	1	38,0%
SUCRE	3	9,1%	3	-2,0%
TOTAL MARKET		23,2%		4,7%

Technical Result: Historical behavior :



Latino Insurance On Line <http://www.latinoinurance.com>

México

SEDARH starts catastrophic agricultural insurance payment

In Ebanó the first stage of payment was started, which will be for 23 municipalities, the documentation of the other 19 is being integrated

In order for farmers and producers to benefit from the Catastrophic Agricultural Insurance payment to begin with the spring-summer planting cycle, the Secretary of Agricultural Development and Hydraulic Resources, Alejandro Cambeses Ballina, indicated that in Ebanó the delivery of these resources by 105.9 million began. pesos for 14 municipalities.

The state official explained that these actions respond to the instructions of the State Governor, Juan Manuel Carreras López, who begin in this first stage in this municipality of Huasteca Norte, so that the beneficiaries acquire the necessary inputs and can start the agricultural cycle.

He said that on March 29 began the process of integrating the documentation required to make the payment, in Ebanó the first installment of payments for 23 municipalities begins for an amount of more than 55 million pesos for damages in 37 thousand 159 hectares.

Salinas in the altiplano region will be the next municipality where the Agricultural Insurance payment will be made and the dates will be notified for the others, said Cambeses Ballina, adding that he appreciated the work of the municipalities, since they have been working in a coordinated manner with the dependence to their position and they have been delivering the lists with the indicated requirements.

The 105.9 million pesos will be paid for more than 76 thousand hectares integrated in 523 agrarian nuclei where the agricultural damages are located; He mentioned that today in Ebanó who is making the payment is the head of the General Directorate of District Development Hugo Mendoza Noriega and the delegate in the Huasteca Guillermo Goytortúa.

Finally, the official mentioned that he expects to attend the payment in Salinas and that during this week and the following one the pending insurance payments of 2017 will be made to three municipalities, since the documentation was finally integrated in a due manner.

El Sol de San Luis <https://www.elsoldesanluis.com.mx/local/inicia-sedarh-pago-de-seguro-agricola-catastrofico-3684669.html>

México

Blockchain technology to support the agricultural sector

What can blockchain technology do to support Mexican agriculture?

In May 2017, FAO published a short article - "Seven reasons why Mexico is prepared to be a global leader in ICT for agricultural initiatives" (e-agriculture, FAO) - in which it points out that Mexico, despite its potential, uses little Information and Communication Technologies (ICT) to support the agricultural sector. Or, to put it another way, it would be necessary to use digital media much more intensively in Mexican agriculture, considering its conditions.

Among the reasons given by the article to strengthen the role of ICT in the Mexican countryside are that 3.9 out of a total of 5.3 million peasants earn less than 1,000 dollars per year and that 61% of this population is poor. The low productivity, the very limited access to financing, the weakness of the link that the vast majority of farmers have with the market contribute to the lag. More widespread access to the digital world would help to provide better information to agricultural producers through specific applications.

In fact, there is already an important advance in this regard. The Ministry of Agriculture (Sagarpa) offers since 2016 three Apps -Markets, Supports and Produce- that make it easier for producers to market their products, gives them information about the productive potential of their locality, provides data on local suppliers of inputs and machinery, and Price information of more than 100 agricultural products in the main Supply Centers (Internet Portal of Sagarpa). In 2016, when the Apps were installed, around 15,000 cell phones had entered one of these applications (Milenio, 11/7/2016).

Despite the recent introduction of these tools and their undeniable usefulness, they could be labeled as "traditional", considering that there are new digital technologies, or e-agriculture, that can help "micro" and "small" (also to large producers) providing them with various services. The e-agriculture, worldwide, increasingly has a more important role and goes far beyond that of the aforementioned ICT. Smartphones, the Internet of Things (IoT), cloud services, artificial intelligence, interconnected information systems, are some of these new tools that can substantially improve agricultural productivity, the integration of productive chains, the distribution of products, the protection against extreme climatic events in the rural sector, etc. It can also cause serious problems, which is why they have to be used with care, such as displacement of labor, deepening of inequality between those who have access to digital technologies and those who do not, problems of greater concentration of production in hands of those who become more efficient and can operate more widely as a result of the use of such technology.

The intention of this article is to draw attention to one of the new emerging technologies that can be especially useful to protect the agricultural population from the increasingly variable conditions and incessant catastrophic events that result

from climate change and that make it very vulnerable to small and micro agricultural producers.

A very recent work of the FAO and ITU (2019), *E-Agriculture in Action, Opportunities and Challenges*, shows how blockchains or block chain technology, which are part of the Distributed Registration Technologies (DLT, for its acronym in English), or databases that manage several participants in a decentralized and transparent manner, can be very useful in the agricultural sector. The DLT can process transactions, validate and authorize them, and then be registered in an immutable database. The blockchain (technology used for cryptocurrencies) is also a decentralized and shared database or registry, but in this case by means of blocks that constitute a chain. Each block is closed with a kind of cryptographic signature called "hash" that acts as a sealed seal, which guarantees that this information, encrypted, has not been manipulated or can be manipulated, that is, it has more security than a simple DLT.

This last mentioned FAO study asks: what processes in the area of agriculture that suffer from lack of transparency and face unsafe transaction processes could benefit from a decentralization of the type mentioned?

Agricultural insurance, low cost for small and micro farmers, without a doubt, is one of them. Of course, the poorest sectors among farmers do not have any insurance in Mexico, so when they lose their crops due to climatic events such as droughts and floods, they suffer heavy losses and take a long time to recover. The traditional formulas with which insurance operates make them unviable for the reference population because they are expensive and with very slow damage and disbursement validation systems. This new mechanism could serve thousands of people simultaneously and virtually instantaneously. In order for an agricultural insurance to be processed through a blockchain, individuals need to sign virtual or "smart" contracts that can be automatically paid to a "mobile wallet" in case of climatic incidents. These insurances would be activated with the weather reports provided by sensors at the hyper local level where those affected live and work, and corroborated by nearby meteorological stations. How such insurance would be financed is an issue to be resolved. Subsidies could be provided for this, or generate mechanisms for the insured to make small ex-ante savings using the "mobile wallet", which would feed the fund that the insurer would use when making payments for floods and droughts. Note that, at no time, the producer would have to appear in an office to do cumbersome procedures, since everything would be done virtually through his cell phone.

Another area in which the chain of blocks could greatly benefit is the registration of land, which will also facilitate the task of insurers, but which is a great need in itself, especially in Mexico. The blockchain mechanism could provide an incorruptible database to maintain a record of land ownership. Also, this technology could greatly simplify other services such as the disbursement of subsidies to farmers for the purchase of fertilizers without the need to have documents that have to be validated at various points and that do all the slow processing. The service could be accompanied by information on the type and amount of fertilizer needed for the specific crop in the exact place where it will be carried out.

The possibility of introducing digital technologies in a generalized way, both those that we consider "traditional" previously and those of new generation, such as blockchains, require a broad and good quality telecommunications infrastructure. Broadband coverage in Mexico is considerable (88% in 2017), but subscriptions to the service are still far from taking advantage of this coverage. This is more accentuated in the rural sector, since only 33.4% of the agricultural production units used any ICT in 2017, these being mainly basic cell phones (National Agricultural Survey 2017, INEGI, 2018). The limited use of the Internet through mobile units could be corrected to some extent by using simple cell phones through SMS messages. However, without these devices and without the necessary telecommunications infrastructure, there is not much that can be done. It is also necessary to have specialists in the latest digital technologies to create and manage blockchains platforms, and associated ones, such as IoT and Big Data, which the blockchain also needs.

El Semanario <https://elsemanario.com/colaboradores/claudia-schatan/314413/tecnologia-del-blockchain-para-apoyar-al-sector-agricola/>

México

Pay catastrophic insurance to Ojocaliente grape growers

727 thousand pesos were disbursed to 108 producers, reported Secampo

The coordination between the federal government and Zacatecas made it possible to pay indemnities from the Catastrophic Agricultural Insurance for 727,350 pesos to 108 growers who had losses due to frost last April on 109 hectares, in this municipality and Noria de Ángeles.

In the last three years the frost and hail affected five thousand hectares of this crop and this Insurance contracted by the Ministry of Agriculture and Rural Development and the State Government covers 2 thousand 500 pesos per hectare, for which, the Secretary of the Field, Adolfo Bonilla Gómez offered an incentive to pay the commercial insurance premium and cover 50 thousand pesos per hectare.

Representatives from both levels of government offered the program Concurrence with Federative Entities for the acquisition of technology that mitigates the damage caused by climate change, and a reforestation program for windbreak curtains.

In the delivery of resources was the municipal president of Noria de Angeles, Rosa Elena Flores; the mayor of Ojocaliente, Daniel López; the sub-delegation of the welfare programs, Priscila Benítez; the representative of Sader, José María Llamas and staff of the Public Function Secretariat of the state government.

Express Zacatecas <https://www.expresszacatecas.com/municipios/43427-pagan-seguro-catastrofico-a-viticultores-de-jojocaliente>

México

Delivery of pink life insurance policies.

The delivery of pink life insurance policies to farmers in the countryside, which activate the economy of the municipality, aims to provide some peace of mind to families, since in case of death, they are granted an insurance of 25 thousand pesos , President Gerardo Nava Sánchez mentioned.

It was announced that today 124 policies were delivered, but that it is expected to continue increasing this number and benefit as much of the citizenship as possible. Also, they were given some recommendations, such as keeping the policy safeguarded; In addition, they were informed that several people from the same family can benefit.

The Delegate, Miriam Torres Nolasco, announced that the delivery of these policies is made with the intention that the most vulnerable people have the security that in case of death have the support of life insurance, and do not have the pending to leave problems to their families.

Héctor Hernández Silva, representative of the Governor, mentioned that every beginning has an end, as well as for life, so this delivery of insurance has the intention of giving peace of mind knowing that in case his life ends, the expenses will be covered.

El Pulso de México <https://elpulsoedomex.com.mx/entrega-de-polizas-de-seguro-de-vida-rosa/>

México

Reduce resources by 25% to protect agriculture

This year, it was only agreed between Sader and Sedrua to ensure agricultural areas and aquaculture; The livestock sector will be in charge of the National Livestock Confederation

While the rains cause havoc in the cities, in the countryside they are beneficial for the mooring of the crops of the first-summer cycle 2019, with the establishment of around one million hectares, of which 50% are corn.

However, the Michoacán field faces a budget cut of 25% for insurance against weather contingencies such as rain, hail and atypical floods that are normally recorded this season; while in the autumn-winter, frosts and droughts prevail.

Rubén Medina Niño, Secretary of Rural Development and Agroalimentario (Sedrua), indicated that until now there is no report of agricultural hectares or production units affected by rain or floods; on the contrary, the outlook that is predicted is beneficial for this agricultural cycle that has just begun.

Contrary to the previous storm, the current one started late and it is estimated that by the fortnight of June it is already well established. In 2018, in the second week of May it began to rain, resulting in a vast food production.

LESS COVERAGE

With the Ministry of Agriculture and Rural Development (Sader) Government of Mexico and the Republic, there is the collaboration agreement for catastrophic insurance against environmental contingencies.

After the negotiations, it was agreed -explained Medina Niño- a budget in the order of 115 million pesos, which will cover the spring-summer 2019 and autumn-winter 2019-2020 cycles; However, this amount represents 50 million pesos less than what was agreed the previous year.

The state official indicated that according to the new federal regulations, this time the insurance will have coverage for agriculture and aquaculture production units. The assurance of cattle heads is now under the responsibility of the National Cattle Confederation (CNG).

The 2018-2019 insurance policies concluded their validity, the call to define the insurance company that will take over the new policies is about to be issued; although there is a lapse without protection, and if any contingency occurs, it will be taken care of by the company hired by Sedrua, which is historically Proagro.

Medina Niño stressed that Proagro holds 90% of agricultural insurance in the country, is the largest company and also provides specialized satellite tracking services.

El Sol de Zamora <https://www.elsoldezamora.com.mx/local/reducen-25-recursos-para-proteger-el-agro-3741368.html>

México

The corn crop is reduced to 50%

The Permanent Agrarian Council calls to create an emergent program of rescue to the field

For this temporary cycle, of the 240 thousand hectares dedicated to the field in Tlaxcala, 120 thousand would be paramaíz, only that the men of the field did not plant because of the lack of rain

In an unprecedented event for the Tlaxcalteca field, only 60 thousand hectares of native corn were planted for the spring-summer cycle, which represents only 50% of what was scheduled every year. According to the Agrifood Information System of Tlaxcala (SIAT) , from April 30 to May 30 the farmers established their seeds with the risk of turning the land, because the drought caused damage to the crops and the plants dried up.

The SIAT estimated that, for the temporary cycle, of the 240 thousand hectares dedicated to the field in Tlaxcala, 120 thousand would be for corn, only that the rural men did not plant because of the lack of rain. In addition, the federal and state governments reduced support to this sector, because for the Catastrophic Insurance of 50 million pesos that protected the basic seeds, now only 23 million pesos were destined.

In addition, the Ministry of Agriculture and Rural Development did not include Tlaxcala in the fertilizer program, so they only received subsidies from the late Procampo, which reaches around 180 million pesos. Against this background, peasant leaders who make up the Permanent Agrarian Congress (CAP) demanded that the federal and state governments allocate resources from Ramo 28 in order to rescue the Tlaxcala camp. José Isabel Juárez, president of the CAP, said that the figures for the spring / summer cycle mean that "the field was forgotten by the authorities, and only one operation would be operative to rescue the production of grains for self-consumption.

El Sol de Tlaxcala <https://www.elsoldetlaxcala.com.mx/local/se-reduce-al-50-el-cultivo-de-maiz-3742672.html>

Perú

They present a bill that extends agrarian insurance coverage

Congressman Clemente Flores's initiative seeks, among other benefits, to improve access to rural credit

Improving access to rural credit and the continuity of the agricultural business, in addition to achieving greater promotion of the development of rural areas, among other objectives, are some of the benefits of project 4430, Law that extends the coverage of agricultural insurance, presented by the official congressman Clemente Flores, representative of Lambayeque.

"The objective of my project is focused on improving the situation of farmers across the country, promoting that they have access to insurance, which at the same time allows them to be subject to credit and achieve less impact in the face of climate impacts. In addition, we reduce the possibility of a financial burden on the State in case of disaster, "explained the legislator.

This insurance, where the public and private sector will participate, will be co-financed by the State for the different segments of agricultural producers prioritized by the National Agrarian Policy, as a scheme for covering risks in the face of climatic phenomena and adverse natural events, fires and other risks.

"I hope that, at the end of this term, we can discuss and approve this project and the Agricultural Strategic Planning that I also presented with the sole objective of improving the quality of life of our farmers, who not only provide more than 80 percent of our food, but they energize our national economy ", concluded the congressman.

Andina <https://andina.pe/agencia/noticia-presentan-proyecto-ley-amplia-cobertura-del-seguro-agrario-754877.aspx>

USA

EE.UU: flooded producers have the "Prevented Planting"

US producers affected by excess water that cannot grow corn have the possibility of switching to soybeans (if environmental conditions improve in the coming weeks) or plant corn out of date waiting for the price rise to compensate for lower potential yields. But they also have the possibility of obtaining compensation for an insurance subsidized by the USDA.

The Federal Crop Insurance Corporation (FCIC), which is part of the USDA Risk Management Agency, manages the agricultural coverage program - called Prevented Planting - through insurance offered by private companies.

"The active policy of the US government on the subject is developed, in one of its facets, through the subsidy of agricultural insurance premiums hired by producers," says a report prepared by the Rosario Stock Exchange (BCR)

"On average, the national government subsidizes about 62% of the insurance premium contracted by US producers, as well as directly subsidizes part of the insurers' costs. of agricultural insurance and ensures that a greater proportion of producers have a tool that allows them to avoid large fluctuations of income by productive or market conditions, "he explains.

The compensation of the Prevented Planting allows to assure a certain percentage of the estimated income that the producer will not receive for not being able to sow the crop. The percentage can be chosen by the producer depending on the value of the premium he is willing to pay.

To determine the potential income lost, the historical average of yields of the last four years is used based on an average reference price for each corn or soybean campaign. The payment by Prevented Planting can be requested after the end of the optimum sowing date (which is determined by the USDA by crop and department).

To be able to charge 100% of the coverage, producers must leave the affected field with a fallow or cover crop until November 1.

There is also the possibility of charging 35% of the total coverage if in the period between 25 days after the end of the optimum sowing date (the 25-day period is average, since it varies according to the crop). and the zone) and on November 1, the producer wishes to graze the cover crop or plant a late crop.

In the current conjuncture, a producer with an average yield of 125 qq / ha that covered 55% of the potential income would receive 920 u \$ s / ha if he decided to activate the coverage.

"Each situation is different when it comes to making a decision on whether or not to use this option, producers have different possibilities of yield, crop costs, land costs, as well as differences in their level of coverage. keys to know what farmers decide to do, to persist these circumstances, and the market will be attentive to its repercussions," says the report of the BCR.

Agritotal <http://www.agritotal.com/nota/39410-los-productores-estadounidenses-inundados-cuentan-con-un-seguro-subsidiado-que-garantiza-un-ingreso-minimo/>

España

ARAG states that the rise in the price of wine grape insurance will only affect La Rioja, Euskadi and CyL

The Riojan Association of Farmers and Cattle Ranchers (ARAG-ASAJA) has participated this morning in a meeting of the Wine Grape Insurance Working Group convened by the State Agricultural Insurance Entity, ENESA, under the Ministry of Agriculture, to deal with the announcement of AGROSEGURO to increase the price of wine grape insurance, justifying itself in "the high accident rate recorded in the last two seasons".

The agrarian professional organization, which has requested several times the disapproval of this idea in the framework of the Land Insurance Commission of La Rioja in order to transfer it to the Ministry of Agriculture to mediate in the Agroseguro proposal, shows its rejection of the up to 18% increase in La Rioja announced today by the insurance company and considers that this proposal is directly against the interests of wine growers. In particular, rates would increase in the wine-growing regions of La Rioja, the Basque Country and Castilla y León, breaking the territorial solidarity of agricultural insurance in Spain and creating comparative grievances between autonomous communities.

ARAG-ASAJA considers this decision counterproductive, because it puts at risk the level of current hiring, which has registered a significant increase in the last year and would mean retracing the path of awareness and conviction of farmers with insurance

of their crops. In addition, it will provoke an anti-selection effect that consists, little by little, only would be subscribed by those holdings with greater sinister, with which the price would rise drastically and end up being unacceptable.

For ARAG-ASAJA, the line is balanced at the national level, that is, the cost of insurance is equivalent to the indemnities paid by Agroseguro during the last years, so it is not necessary to increase the rates.

ARAG-ASAJA calls on the Ministry of Agriculture to prevent the Agroseguro proposal from materializing, as it would imply a significant reduction in the insurance of the vineyard in La Rioja.

In La Rioja, the contracting of grape insurance has increased in 2019, from 25,984 to 27,832 hectares insured, which means a total area covered by about 60%.

Cope https://www.cope.es/emisoras/la-rioja/la-rioja-provincia/logrono/noticias/arag-afirma-que-subida-del-precio-del-seguro-uva-vinificacion-solo-afectara-rioja-euskadi-cyl-20190606_431069

España

Drought affects cereal harvest

Once again, the drought has affected the production of winter cereals in Spain, which will fall by 30.21% compared to the previous season and will not exceed 13 million tons, according to the estimates of the Association of Grain Traders and Oilseeds of Spain (ACCOE).

The agrarian organizations and the insurance companies foresee a strong fall of the harvest, although in the rest of the countries of the European Union a harvest is expected superior to the previous one, which will go from 281 to close to 300 million tons. Prices in the domestic market, which had been falling in recent months, have risen slightly.

The weather conditions that occurred during the preceding months predicted a good harvest, but has been truncated by drought and high temperatures. The most affected regions were Extremadura, Andalusia, Ávila, Segovia, Zamora and Salamanca.

The expectations of ACCOE for the production of autumn-winter cereals go through a harvest of 12.96 million tons (-30.21%), of which 6.20 million are barley (-27%); 4.46 million soft wheat (-25.35%); 848,369 tons of durum wheat (-40.10%); 773,042 tons of oats (-47.18%); 419,182 tons of triticale (-48.39%) and 252,174 tons of rye (-26.12%).

Insurers have already begun to assess damaged farms, with an affected area that could reach 700,000 hectares in view of the weather conditions. According to the insurance companies, hail and drought, which have become the most important risks in the agricultural sector, are a clear consequence of climate change.

In 2018, record compensation of 755 million euros exceeded premiums and companies had to use the consortium funds, which went from 900 to about 650 million, as well as reserve funds. For this reason, insurers have raised in the insurance reviews premium increases and reduction of yields to adjust the results in each line and for each guarantee, and not globally in all the insurance as usual.

In the last year, the agricultural insurance registered a record amount of insured capital of 14,000 million euros. There were 380,000 farmers who subscribed 420,000 policies.

Agriculture has reiterated its commitment to insurance with aid of 211 million per year, although in reality it increased to 260 million through extraordinary loans. For its part, the Autonomous Communities currently contribute about 80 million. Public accounts for approximately 41% of the cost of premiums for insurance that all parties consider expensive.

Distribución y Alimentación <https://distribucionyalimentacion.com/sin-categoria/10/06/2019/la-sequia-afecta-a-la-cosecha-de-cereales/5423.html>

España

Fernández de Mesa criticizes Agroseguro raise premiums in pasture insurance to weigh

Complaints continue against Agroseguro. The last one was that of Ignacio Fernández de Mesa, president of ASAJA Córdoba, for the "bad performance" of pasture insurance. He spoke about this in the AGROPOPULAR broadcast on June 8.

The president of this organization explained that this year the premiums in the pasture insurance have increased by 20% and the vegetative indexes have dropped, in his opinion, "something amazing considering that we are in drought".

He also expressed his disbelief because "despite the year that is happening, the Agroseguro satellite does not cause drought.

In this sense, he pointed out that "normally" when someone secures a risk - in this case the drought - when the risk becomes sinister, it is compensated. However, now the tables have changed and the risk is to make sure, "because if it does not rain and there is a drought, the risk is that they do not pay you".

Regarding the situation in the province of Cordoba, Fernandez de Mesa said that "there is no grass." For example, in Villanueva de Córdoba the precipitation so far this year is 82 liters / m², compared to 448.40 liters / m² in the same period 2018.

For ASAJA Córdoba "it seems evident that either the data provided by the satellite are not correct or the threshold established as compensable for the standard guaranteed is clearly unattainable, and it would be a catastrophic drought for insurance to compensate".

Siegas

On the other hand, he also spoke about the harvest in Córdoba. "Wheat is of high quality, however in kilos the situation is bad; both hard and soft wheat have fallen".

Regarding prices, Fernandez de Mesa said they are weak. "Durum wheat in the Lonja de Córdoba is not quoted, and soft wheat maintains a trend in prices similar to those of last year, but we must remember that costs have gone up.

In view of this situation, he pointed out that "there is a price cataclysm in agriculture and that it is necessary to take measures".

Agro Popular <https://www.agropopular.com/primas-seguro-pastos-100619/>

Portugal

Agricultural Credit increases profits to 43.5 million in the quarterly

To justify the improvement of the results is the fall of 10.1% in the odd and provisions, as well as the decrease of 23.3% in the technical provisions of the insurance contracts.

The Agricultural Credit Group closed the first quarter of this year with a net result of 43.5 million euros, a value that represents an increase of 18% over the same period last year, the institution said in a statement.

The banking business of the group gave the greatest contribution, with an increase of 12.8% to 36.5 million euros, although in the insurance sector the growth was more expressive (+ 17.8% to 4.2 million euros). In real estate funds and CA Furniture the group continues to lose money, although there was a slight fall to 5.2 million euros.

The banking product of agricultural credit increased by 7.3% to 139.5 million euros in the first quarter, when structural costs fell 2.1% to 81 million euros. The financial margin rose 1% to 82.5 million euros.

To justify the improvement of the results of the bank led by Licinio Pina is the fall of 10.1% in the odd and provisions, as well as the decrease of 23.3% in the provision is technical insurance contracts.

The bank says it is increasing the credit against cycle with the sector, so the market share in this segment increased to 5.5%. The loan portfolio increased by 6.2% to 10 billion euros, while bank deposits rose by 10.2% to 14 billion euros.

The badly stopped credit ratio (NG) fell to 9.8%, against 13.7% in March of last year.

Regarding the capital ratio, common equity tier 1 (CET1) rose eight tenths, reaching 15.0%, a level of solvency that the bank classifies as "comfortable".

Jornal de Negocios

<https://www.jornaldenegocios.pt/empresas/banca---financas/detalhe/credito-agricola-aumenta-lucros-para-435-milhoes-no-trimestre>

Angola

The execution of agricultural insurance is one of the main challenges of the ARSEG

28 insurers are licensed in the market, one of public capital and the rest of private capital.

The application of agricultural insurance, integrated supervision systems and mandatory insurance for the importation of goods follows from the main challenges posed to the regulatory body, the Insurance Regulatory Agency (ARSEG) informed yesterday during the meeting of the National Council of Financial Stability.

During the ordinary meeting, it was anticipated that in the field of supervision and monitoring of the market "the ARSEG gives priority to the optimization of the draft presidential decree on the co-insurance of oil activities, in cooperation with ASAN, ACEPA and Sonangol, and for the monitoring of solvency levels and representation of technical provisions.

The ARSEG declared the existence of eight entities that generate pension funds, among which five are management companies and three are insurance companies. "Still, the ARSEG, in cooperation with the CMC, has developed a work to raise awareness of the entities that generate pension funds to bet on the capital market and to strengthen the appetite for these products," reads the final document of the meeting.

Of note that 28 insurers are licensed, one of public capital and the rest of private capital. On the other hand, the mediation sector registered 55 correctors, among which 27 agents of collective personnel and 883 agents of individuals, an activity promoted by the insurance regulator for the promotion of the increase of the national employability rate. Also in the sector, at the national level, the insurance portfolio has a more diversified structure, with a particular emphasis on health insurance, the automobile and the oil sector.

Mercado <https://mercado.co.ao/home/execucao-do-seguro-agricola-e-um-dos-principais-desafios-da-arseg-FH584557>
